

hollandmichigan

Community & Neighborhood Services Department

Philip L. Meyer, AICP, Director

October 2, 2013

Good afternoon. My name is Phil Meyer and I am Director of Community and Neighborhood Services for the City of Holland. Thank you for the opportunity to offer comments and concerns regarding the proposed revisions to the Housing Law of Michigan as contained in Senate Bill No. 313. Please accept these written comments in addition to the oral testimony you will receive from our department this afternoon.

The City of Holland has had a rental inspection and registration program since 1986. Since that time, the City has worked hard to assure that safe and properly maintained rental properties are the norm throughout the City. Our City Council, following recommendations from our Neighborhood Improvement Committee, is aggressively looking for ways to ensure more livable neighborhoods and that effort begins in part with assuring that the housing stock is being properly maintained and safe. Changes that might weaken our ability to assure the health and safety of our rental housing stock directly threatens the health, safety and desirability of our neighborhoods.

This rental registration and inspection program has been a vital tool in assuring the quality and livability of our rental housing stock. The City (population approximately 32,000) has approximately 4,500 rental units that comprise approximately 36 percent of our 12,534 total housing units. We have an annual registration program in which residential rental properties can obtain either a three-year or six-year certificate, with the length determined based on performance during the previous certificate cycle, presence or absence of violations at the time of inspection for the renewal, and history of complaints received for that property.

Last year, our total revenues received from the annual fees, repeat inspection fees, and late fees totaled \$211,749. Our costs, based on the participation of portions of time of eight staff members equaling an FTE of 2.5 positions plus proportionate overhead totaled \$210,887. With modest fee increases, our revenue for this year is projected to increase to \$232,325. We are looking for adequate staffing to assure we keep our expenditures in line with revenues this year. Even with our aggressive program, we are challenged to keep pace with the numbers of rental properties (up 6% in the past several years) and are considering registration fee increases and inspection fee increases for the 2014 program for which we will be receiving registrations in November and December.



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Limitations on registration fees and inspection fees: We work very hard to keep our revenues and fees in balance with the cost of running our comprehensive rental registration and inspection program. Within the last several years we have seen expanding city-wide demands on limited general fund (taxpayer) dollars and have no longer been able to subsidize this rental registration program with general fund dollars. We believe the ownership and operation of a rental property is a business and therefore the costs of assuring appropriate business practices should be a cost of doing business for those rental property owners.

Recurrent violators Inspections: We are similarly dismayed about the proposed removal of language in Section 126(4)(c) that presently provides the ability to inspect recurrent violators more frequently. Perhaps our greatest obstacles to reaching our goal of code compliant and livable rental housing units are the actions of certain landlords and their management/maintenance of certain properties. These situations repeatedly have numerous compliance issues, neighbor and tenant complaints, inadequate correction responses, etc. that necessitate an extraordinary amount of time committed to those specific properties in order to assure they are properly maintained for the safe enjoyment of tenant and neighborhood. The ability to inspect and re-inspect these properties without limitation is very important.

Inspection timeframes: The City of Holland has had considerable success in assuring a well-maintained rental housing stock (particularly when revenues and thereby staffing were more available) utilizing three-year and six-year cycles as noted above. The most responsible of our landlords strive hard to achieve the 6-year certificate and we strongly encourage this. Unfortunately, our estimate of how many of our total certificates are 6-year is approximately 10 percent, meaning that the remainder of the rental properties have violations and/or tenant or neighbor complaints within three year periods. These three-year certificates certainly demand the bulk of our attention in order to assure that our residents are living in safe and livable conditions. To increase these timeframes as suggested "no less than 6 years" means that the bulk of our properties will remain out of compliance and threaten the well-being of our residents for a considerably longer time period than we can achieve now. Allowing longer than 6 years is fine with us. We have that ability now and, though we have not been requested to consider a longer timeframe for aggressively well maintained and operated rental units, we could certainly do so under our current statute. We are looking carefully into ways to incentivize those well-performing landlords.

Inspection entry: It is very important for our inspectors to have the right to enter rental units to assure compliance with our property maintenance requirements.

It is their responsibility to make sure the property is properly maintained and conditions are deemed safe for the sake of the tenants and for the neighborhood. Should we be refused entry, this would likely trigger additional staff time and should we need to then seek legal action, the costs of doing such business will escalate and such additional costs will then need to be passed along to the rental property owners.

Finally, setting detailed statewide specifications for the day-to-day operation of rental inspection programs does not recognize the differing situations and factors that may exist from one community to another, whether factors of size, owner/renter composition, age of housing stock, economic conditions, etc. cause one formula to work better in one place than another. To the extent broad expectations are expressed regarding the purposes of such a program, that is excellent- and please be broad enough to realize the importance of this not just as a "business" but also as a major component of every neighborhood's identity and stability. The definition of details of these programs should rest with the communities who pursue this as a tool for community stability and enhancement.

Thank you for your time.

Sincerely,

Philip L. Meyer, AICP, Director

